

*REMARKS/ARGUMENTS*

The Office Action dated February 11, 2008 ("Office Action") rejected claims 1-12 and 41-45 as being anticipated by U.S. Patent Application Publication No. 2002/0042763 A1 to Pillay et al. ("Pillay"). Applicants respectfully traverse the rejection.

***1. Background of Current Invention***

Electronic commerce ("e-Commerce") transactions over the Internet and World Wide Web includes certain risks and obstacles. A considerable risk is whether trading counterparties are who they purport to be. This risk creates an obstacle to successfully completing a transaction, particularly large transactions involving a sizeable commitment of resources. The inability to accurately verify the *identity* of a trading counterpart can lead to wasted resources and lost profits. This inability can also make it easier for a party to misrepresent itself and even commit fraud.

The risks and obstacles associated with conducting e-Commerce transactions are particularly keen for business-to-business trading marketplaces or brokering websites available on the Internet or World Wide Web. Such marketplaces and websites often involve a large number of parties, thus intensifying the risks associated with not being able to verify the identity of a party. Indeed, these risks often prevent parties from participating in such marketplaces or from making large online purchases or sales, thus resulting in lost revenue and profits.

The present invention addresses these problems through identity insurance, which may be issued to one or both trading counterparties. An insured party may thus ameliorate or eliminate the risk that another party to a transaction will misstate or misrepresent its identity. The insurance company may verify the accuracy of identity information submitted by the parties to the transaction and, further, may issue security credentials, thereby minimizing the risk of identity fraud. The insurance company may determine the premium associated with the policy based on the size of the transaction, the nature of the goods and/or services at issue, and the creditworthiness of the party seeking insurance or against whom insurance is sought.

## 2. *Differences Between the Current Invention and Pillay*

The Office Action relies entirely on Pillay to support its rejection of claims 1-12 and 41-45 as anticipated. Pillay, however, is directed to a different concept than that claimed in the present application. Pillay's specification particularly describes a method for providing *trade credit* insurance. The novel and innovative method and system of Pillay stores financial information, including trade credit information, processes requests for trade credit information, and further offers a trade credit insurance policy associated with the financial information and requests for trade credit information. Pillay does not describe offering an insurance policy based on misstated or misrepresented identity.

Pillay therefore lacks at least the limitation of claim 1 directed to paying the benefits of an insurance policy resulting from a misidentified or misrepresented identity of a trading counterpart. Claim 1, with emphasis added, is reproduced below:

1. (Original) A method for providing assurance to a user of the identity of a trading counterpart in an online marketplace transaction via an insurance policy, the method comprising the steps of:

supplying, by an insurer, the insurance policy to said user, said insurance policy includes a predetermined monetary premium payable to said insurer;

receiving said premium by said insurer from said user; and

paying by said insurer, in accordance with terms of said insurance policy, benefits of said insurance policy *resulting from the misidentified or misrepresented identity of said trading counterpart*, to said user between a policy inception date and a policy termination date.

The Office Action asserts that paragraphs 84-85 and 112 of Pillay describe this claim limitation. These paragraphs, with emphasis added, are reproduced below.

[0084] At step 414, the central processing computer 10 will determine whether the user has decided to purchase the offered *trade credit insurance policy*. If, at step 414, it is determined that the user has decided to purchase the offered *trade credit insurance policy*, the operation will proceed to step 415 and the central processing computer 10 will process and/or consummate the *trade credit insurance policy* transaction.

[0085] At step 415 , the central processing computer 10 can obtain user payment information or a payment identifier and/or otherwise process payment or effectuate the purchase of the *trade credit insurance policy*. At step 415 , the central processing computer 10 can also transmit a copy of *the trade credit insurance policy* to the user communication device, such as via a facsimile transmission, an e-mail message, or other transmission, electronic and/or otherwise. At step 415 , the central processing computer 10 can also store the *trade credit insurance policy* of the user in the database 10 H for later use or processing. Thereafter, the operation of the apparatus 100 will cease at step 416 .

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[0112] At step 612 , the central processing computer 10 can effectuate or trigger a claim submission *under the user's trade credit insurance policy* which is currently in effect. At step 612 , the central processing computer 10 can perform or effectuate any claim submission or verification activities for processing the insurance claim. At step 612 , the central processing computer 10 can also facilitate a payment of the claim to the user or to the user's financial account. Thereafter, the operation of the apparatus 100 will cease at step 613.

As is evident, the cited portion of Pillay each involve a trade credit insurance policy. They do not describe or even relate to a policy directed to a misidentified or misrepresented identity of a trading counterpart.

The Office Action asserts that “inability to pay” is the same as a “misrepresentation of a customer/trading counterpart.” (Office Action at 3.) Even if this is true, and applicants respectfully dispute that these concepts are interchangeable, the “inability to pay” is not what is actually claimed. Claim 1 instead recites an insurance benefit payable as a result of a “misidentified or misrepresented identity” of a trading counterpart. A misidentified or misrepresented identity could have the ability to pay, yet still be misidentified or misrepresented.

To illustrate the difference, for example, a supplier may desire to sell a product to only certain purchasers and not others, such as direct competitors or those that intend to resell the products in prohibited markets, etc. In this instance, the supplier may seek to insure the identity of the purchaser independently of whether the purchaser has an ability or “inability to pay.” To the extent that a purchaser misidentifies or misrepresents identity, the insurance policy will pay benefits. This is true even if the purchaser satisfied a payment obligation associated with the transaction. In this example, the policy may be viewed as one that covers

the risk that an undesired party will engage in a transaction regardless of whether such party has the ability to complete the transaction.

Pillay does not teach or describe, explicitly or inherently, the limitation of providing insurance to cover losses from misidentification or misrepresentations as to identity of a trading counterpart or paying benefits resulting from the misidentification or misrepresentation of identity. Pillay, therefore, does not anticipate claims 1 and 9. For similar reasons, Pillay does not anticipate dependent claims 2-8, 10-12 and 41-45, which depend directly or indirectly on claims 1 and 9.

Moreover, and without waiving additional arguments, Pillay fails to describe the further subject matter recited in dependent claims 5-8 and 41-45.

Applicants amended claim 5 to require issuance of a *second* insurance policy for providing assurance to the user of the financial ability of the trading counterpart to enter into an online marketplace transaction. Pillay does not describe issuance of first and second insurance policies, with one directed to the misidentified or misrepresented identity of a trading counterpart and the other directed to the financial ability of the trading counterpart.

In rejecting claim 5, the Office Action cited paragraphs 112-114 of Pillay as meeting the claim requirement of an “additional insurance policy.” (Office Action at 4.) These paragraphs, however, contain no description of a second insurance policy. Rather, they further describe the trade credit insurance policy generally described throughout the reference. Because Pillay does not disclose two separate insurance policies as recited by claim 5, it does not anticipate the claim. For similar reasons, Pillay does not anticipate claims 6-8, each of which requires a specific *second* premium in connection with issuance of a second insurance policy.

Finally, claims 41 through 45, which Applicants added after the prior Office Action, recite various limitations not described in Pillay. The Office Action, however, rejected these claims as anticipated by two paragraphs of Pillay, namely, paragraphs 88 and 89:

[0088] In another preferred embodiment, the apparatus and method of the present invention can be utilized in order to monitor a user's customers or clients and provide notification of a problem which may signify that a respective customer(s) or client(s) may be unable to meet its financial

obligations under a trade credit agreement with the user. This can, for example, occur if a customer or client has defaulted on a financial obligation or has otherwise experienced a downgrade in its credit rating.

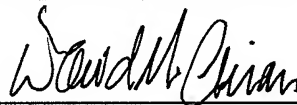
[0089] In a preferred embodiment, it is envisioned that a user's accounts receivables information and a customer's accounts payables information can be maintained by, and/or be stored at, the central processing computer 10, a third party information provider computer 30, and/or a third party service provider computer 40. As payments are received on a respective user's account, the user's accounts receivables information and the customer's accounts payables information can be updated so as to reflect the payment.

Neither these paragraphs nor any other cited portions of Pillay describe determining whether the trading counterpart is a verified user of the online marketplace (claim 41), a premium that is based in part on whether the trading counterpart is a verified user (claim 42), providing a security credential or unique identifier to the trading counterpart upon a determination that the trading counterpart is a verified user (claim 43), a trading counterpart as the online marketplace (claim 44), or determining whether said trading counterpart is financially authorized to enter said transaction prior to supplying the insurance policy to the user (claim 45). Applicants respectfully request reconsideration of the rejection of these claims as being anticipated by Pillay.

### 3. *Conclusion*

For the foregoing reasons, Applicants respectfully submit that the patent application is in condition for allowance, and a notice to that effect is respectfully requested. If, in the opinion of the Examiner, a telephone conference would expedite the prosecution of the subject application, the Examiner is invited to call the undersigned attorney.

Respectfully submitted,



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